

**M e m o r a n d u m****335.0060**

To: Van Nuys – Auditing (CSH)

Date: July 16, 1974

From: HDQRS – Tax Counsel (GLR)

Subject: Classification of Recreational Vehicles and Vans

Thank you for the material you enclosed with your memo of June 13, 1974. In checking with Mr. C. Peters at DMV Headquarters, I find that effective January 1, 1974 the administrative staff of DMV created a new vehicle classification called multi-purpose vehicles; designated on the pink slip as “MP”. In DMV’s view the necessity of such a step was the passage of A.B. 505 effective the first of this year.

In a memo of November 23, 1973, DMV concluded that effective January 1, 1974 certain vehicles known as multi-purpose vehicles:

“...are not designed, used or maintained primarily for the transportation of property even though they do have limited cargo-carrying area. These vehicles have a body design recognized as the ‘old Willys or Ford army jeep’, Jeep Universal, Bronco, Blazer, Scout, Jimmy, Commando, Land Rover, Land Cruiser, Brute IV, and The Thing....”

They went on to conclude that “Vehicles of this body design are to be classified as passenger vehicles....”

Although DMV in making this new classification was primarily concerned with its weight fee collection problem, it would not appear to be unreasonable for us to conclude that such vehicles are to be regarded as passenger vehicles for sales and use tax purposes. This is especially true since in my opinion DMV could have classified such vehicles as passenger vehicles under Section 465 of the Vehicle Code even before the enactment of A.B. 505. Such a position seems desirable from our standpoint as well as the taxpayer since we can still base our decision by looking to the pink slip classification.

In regard to the Surfer-Van, it is our opinion that if such a unit is registered as a house, car, passenger vehicle or “MP”, it is not mobile transportation equipment. If, however, it is registered as a van or truck it is mobile transportation equipment.

GLR:lb